

Summary: Enterprise Funds

Fund: Enterprise and Enterprise Debt Service

Summary	2006-2007 Actual Exp/Rev	2007-2008 Original Budget	2007-2008 12 Month Estimate	2008-2009 Department Requested	2008-2009 Commissioner Approved
▽ Expenditures					
Personnel	\$360,805	\$467,747	\$472,777	\$561,425	\$561,425
Operating	\$4,118,299	\$4,188,292	\$3,556,071	\$4,352,754	\$4,352,754
Capital	\$0	\$50,000	\$0	\$52,000	\$52,000
Transfers	\$1,400,000	\$654,238	\$404,238	\$1,160,000	\$1,160,000
Other	\$637,181	\$4,019,477	\$3,229,250	\$3,705,000	\$3,705,000
Total Expenditures	\$6,516,286	\$9,379,754	\$7,662,336	\$9,831,179	\$9,831,179
▽ Revenues					
Licenses & Permits	\$755	\$473	\$1,125	\$2,500	\$2,500
Investment Income	\$1,050,661	\$440,000	\$0	\$0	\$0
Enterprise Charges	\$7,236,750	\$8,349,515	\$8,031,971	\$9,257,679	\$9,257,679
Sewer Connect. Fees	\$611,205	\$490,640	\$261,370	\$496,000	\$496,000
Other Revenues	\$100	\$10,400	\$0	\$0	\$0
Other Fin. Sources	\$93,834	\$88,726	\$60,000	\$75,000	\$75,000
Total Revenues	\$8,993,304	\$9,379,754	\$8,354,466	\$9,831,179	\$9,831,179
Net Expenditures	(\$2,477,019)	\$0	(\$692,130)	\$0	\$0
FTEs	6.00	6.00	6.00	7.00	7.00

2008-09 HIGHLIGHTS

- A new Compliance Manager position is approved and creates no additional county cost. The funds are currently in place as a contract employee through the TWWTP Management Contract and will be moved from contract services and placed into the Utility Division budget as a personnel expense.
- This budget includes a 10% increase in rates for Fiscal Year 2008-09 from \$2.75/CCF to \$3.02/CCF, and a 4% increase in the Capital Recovery Charge from \$2.461/GPD to \$2.69/GPD. These increases are necessary to cover increasing costs of operating the treatment plant, to maintain the debt service coverage required for the revenue bonds.
- Also note that Debt Service has decreased by approximately \$300,000 as the cost for the dewatering project is significantly less than the previously proposed dewatering and dryer project.

The following shows bond payments for Enterprise Fund debt service:

	2007-2008 Commissioner Approved	2007-2008 Department Requested	2008-2009 Commissioner Approved
BOND PRINCIPAL	\$2,211,020	\$2,000,000	\$2,000,000
BOND INTEREST	\$1,803,457	\$1,700,000	\$1,700,000
OTHER	\$5,000	\$5,000	\$5,000
TOTAL	\$4,019,477	\$3,705,000	\$3,705,000

UTILITIES

MISSION

The mission of the Durham County Engineering Department is to protect regional water quality through the administration of the sewer use, stormwater and erosion control ordinances, to improve County facilities through the management of capital projects, and to preserve natural and scenic lands, farms and forests.

PROGRAM DESCRIPTION

The Utility Division is responsible for the operation and maintenance of the County's Triangle Wastewater Treatment Plant, the County's Wastewater Collection System, the coordination of new connections (customers), and the County's Sewer System revenue collections.

The Triangle Wastewater Treatment Plant, collection system and industrial pre-treatment program are operated and maintained under a contract with United Water, effective July 1, 2005 through June 30, 2010.

In addition to ongoing operations, one of the major initiatives of this division has been the upgrades and expansions of the treatment plant to meet regulatory requirements and to provide adequate capacity for growth in the County's service area. The third phase of these improvements will provide new sludge handling facilities to produce a dewatered residual which can be transported to an off-site facility for Class A stabilization. The design for the dewatering facility is currently under way, with construction scheduled to begin in Fiscal Year 2008-2009.

The Reused Wastewater Capital Project is in the final design phase this year, with coordination proceeding with the two project partners (Wake County and the Town of Cary). Construction is scheduled to begin in Fiscal Year 2008-2009.

The County's treatment of wastewater from the Town of Cary is continuing under the Agreement between the County and the Town. Cary is currently sending approximately 1,200,000 gallons per day to the County's plant for treatment. The agreement between Durham County and Cary provides treatment of up to 5 million gallons per day.

The Utility Division Office is located at 120 East Parrish Street, First Floor, Durham, North Carolina. Office hours are Monday – Friday, 8:30 AM – 5:00 PM, Telephone: 919-560-0735; Fax: 919-560-0740

2007-08 ACCOMPLISHMENTS

- Applied for Bulk Reuse Water permit to allow reclaim water distribution by tanker.
- Removed the continuously clogging sodium aluminate feed system. Installed completely redesigned sodium aluminate feed system which ensured the Triangle Wastewater Treatment Plant met the total phosphorus limit for calendar year 2007.
- Achieved additional nitrogen reduction that exceeded permit requirements
- Completed line cleaning required by State permit (10% of system)
- Completed the first sewer relining project.
- Continued the design of residuals dewatering project and selected a biogenic off-site option which will result in less on-site odor.
- Completed sludge removal for 2008 fiscal year without incident, and prepared to start the 2009 sludge removal in first quarter of 2009 fiscal year.
- Participated in Upper Cape Fear River Basin organization (Chair of Technical Advisory Committee)
- Participated in stakeholder program related to nutrient management in Jordan Lake
- Participated in the Neighborhood College program

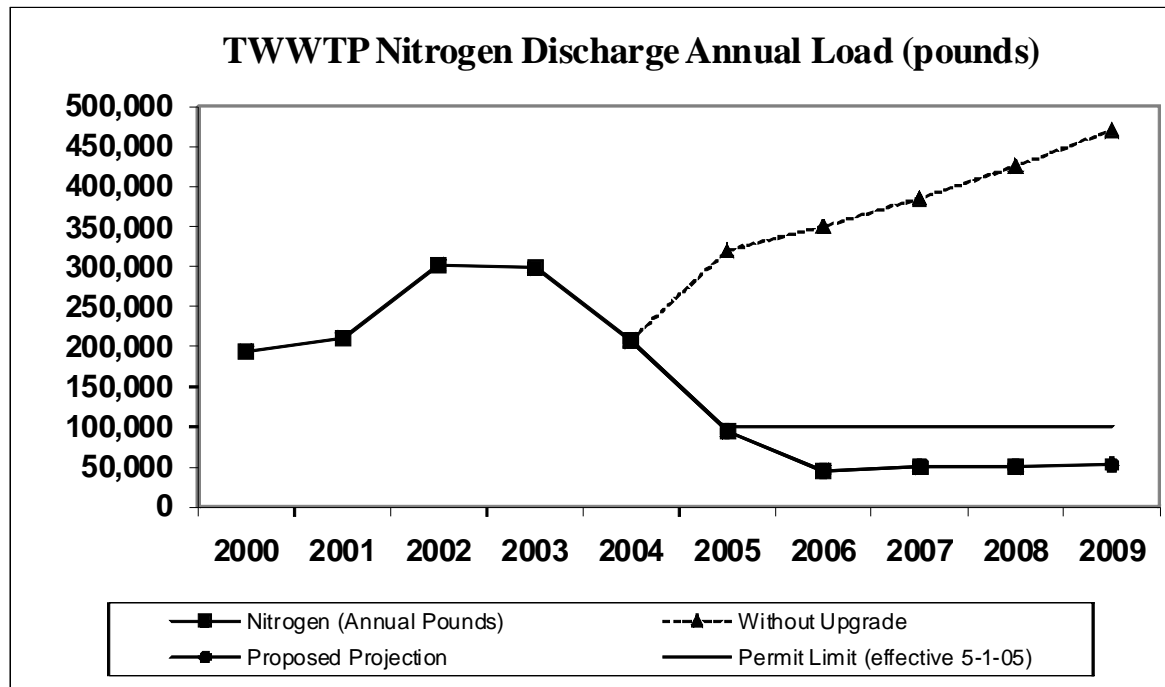
Sewer Utility Fund

Fund: Enterprise 6006600000

Summary	2006-2007 Actual Exp/Rev	2007-2008 Original Budget	2007-2008 12 Month Estimate	2008-2009 Department Requested	2008-2009 Commissioner Approved
Expenditures					
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Operating	\$6,371,718	\$4,188,292	\$3,556,071	\$4,352,754	\$4,352,754
Capital	(\$2,253,419)	\$50,000	\$0	\$52,000	\$52,000
Transfers	\$1,400,000	\$654,238	\$404,238	\$1,160,000	\$1,160,000
Other	\$637,181	\$4,019,477	\$3,229,250	\$3,705,000	\$3,705,000
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2008-09 PERFORMANCE MEASURES

Performance Measure: Triangle Wastewater Treatment Plant (TWWTP) Nitrogen Reduction



Story behind the last two years of performance

Existing data has been used for baseline development and is shown on the graph. The “Without Upgrade” indicates a no action approach and is not appropriate because the NPDES permit limits would not be met and the County would be subject to enforcement actions including civil penalties. The TWWTP has met the permit requirements since the start-up in 2005 and reduced the discharge nitrogen load by more than eighty percent as compared to the levels prior to the upgrade

Strategies: What do you propose to do to improve program performance?

- To reduce the risk of Fats, Oil and Grease blockages in the collection system, the sewer use requirements for grease traps will be improved and a prohibition for jetting sewers without vacuuming proposed.
- The position of Industrial Pretreatment Program Director will be removed from the contracted services of United Water. This position will be moved to a County position of Compliance Manager. The Compliance Manager will have the duties of the Industrial Pretreatment Program administration, Fat, Oils and Grease Program, Surcharge/Sewer Credit Program. Additionally, the Compliance Manager will develop the ordinances and requirements for the use of Reuse Water.
- In conjunction with Duke Energy, the on-site generators may be used to reduce peak energy consumption. With peak energy consumption reduction the TWWTP utility bill will be reduced.
- The optimization of TWWTP processes will continue including sodium aluminate feed reliability improvement and Return Activated Sludge bleed-off control. On-line analyzers for nitrogen control may also be tested.
- Additional Durham County staff will be stationed at the Triangle Wastewater Treatment Plant and will have more detailed knowledge of daily operations. The contractor’s operations are expected to improve with additional oversight.
- Durham County staff will be obtaining wastewater operator and collection system operator training and certification to ensure the current operations are being completed properly.

ENTERPRISE DEBT SERVICE FUND

PROGRAM DESCRIPTION

This cost center accounted for water and sewer debt issued by the County of Durham. All Enterprise Fund debt is retired from interest earnings on bond proceeds and from revenues earned by the Enterprise Fund. \$24,515,000 in revenue bonds was issued during FY 2002-03 to support phase II of the Waste Water Treatment Plant improvements and expansion, and \$8,110,400 in revenue bonds was issued in FY 2005-06 for phase III of the Wastewater Treatment Plant improvements. Charges for services were changed to insure that the Enterprise fund created enough revenue to support the debt service payments on these bonds.

During FY 2007-08 a budget amendment approved by the Board of County Commissioners closed the Enterprise Debt Service Fund and moved the budget and charges to the Enterprise Fund. The Finance and Budget Departments recommended the change for administrative efficiency. All principal and interest payments for the Enterprise Fund Debt are now budgeted in the Enterprise Fund (6006600000).

Sewer Utility Debt Service Fund

Fund: Enterprise Debt Service 6006620000

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Operating	(\$2,253,419)	\$0	\$0	\$0	\$0
Capital	\$2,253,419	\$0	\$0	\$0	\$0
Total Expenditures	\$0	\$0	\$0	\$0	\$0
▽ <i>Revenues</i>					
Total Revenues	\$0	\$0	\$0	\$0	\$0
Net Expenditures	\$0	\$0	\$0	\$0	\$0
FTEs	0.00	0.00	0.00	0.00	0.00